Introduced by Senator Emmerson

February 24, 2012

An act to amend Sections 56133 and 56375 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1498, as introduced, Emmerson. Local agency formation commission: powers.

(1) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Existing law authorizes the commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization, or outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory, under specified circumstances.

This bill would additionally authorize the commission to authorize a city or district to provide new or existing services outside its jurisdictional boundaries and outside its sphere of influence to support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing, in which certain determinations are made. The bill would also authorize the commission to delegate to its executive officer the approval of certain requests to authorize a city or district to provide new or extended services outside its jurisdictional boundaries or outside its sphere of influence, as described above, under

SB 1498 -2-

specified circumstances. The bill would also make certain technical, nonsubstantive, and conforming changes.

(2) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined, that includes a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, subject to specified exceptions.

This bill would repeal this provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 56133 of the Government Code is 2 amended to read:
- 56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries boundary only if it first requests and receives written approval from the commission—in the affected county. The commission may delegate approval of requests made pursuant to subdivision (b) and paragraph (1) of subdivision (c) to the executive officer.
 - (b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional—boundaries boundary but within its sphere of influence in anticipation of a later change of organization.
 - (c) The-If the consistent with adopted commission policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional-boundaries boundary and outside its sphere of influence as follows:-to
 - (1) To respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:
- 21 (1)

10

11 12

13 14

15

16

17

18

19

- 22 (A) The entity applying for the contract approval has provided 23 the commission with documentation of a threat to the health and 24 safety of the public or the affected residents.
- 25 (2)

-3- SB 1498

(B) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

- (2) To support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing in which all of the following determinations are made:
- (A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to Section 56430.
- (B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.
- (C) A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.
- (d) The executive officer, within 30 days of receipt of a request for approval by a city or district-of a contract to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of those requests made under this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the contract for extended services. If the contract is extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.
- (e) This section does not apply to contracts or agreements solely involving two or more public agencies where *the commission determines* the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to

SB 1498 —4—

be provided is consistent with the level of service contemplated by the existing service provider. This

- (f) This section does not apply to-contracts for the transfer of nonpotable or nontreated water. This
- (g) This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This
- (h) This section does not apply to an extended service that a city or district was providing on or before January 1, 2001. This
- (i) This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.
- (j) The commission in the county in which the extension of the service is proposed shall have discretion to implement this section.
- SEC. 2. Section 56375 of the Government Code is amended to read:
- 56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:
- (a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.
- (2) The commission may initiate proposals by resolution of application for any of the following:
 - (A) The consolidation of a district, as defined in Section 56036.
- (B) The dissolution of a district.
- 36 (C) A merger.
- 37 (D) The establishment of a subsidiary district.
 - (E) The formation of a new district or districts.
- 39 (F) A reorganization that includes any of the changes specified 40 in subparagraph (A), (B), (C), (D), or (E).

5 SB 1498

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

- (4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:
- (A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.
- (B) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.
- (C) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.
- (5) As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.
- (6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.
- (7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and prezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already

SB 1498 —6—

1 2

at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be prezoned.

- (8) (A) Except for those changes of organization or reorganization authorized under Section 56375.3, and except as provided by subparagraph (B), a commission shall not approve an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.
- (B) An application to annex a contiguous disadvantaged community shall not be required if either of the following apply:
- (i) A prior application for annexation of the same disadvantaged community has been made in the preceding five years.
- (ii) The commission finds, based upon written evidence, that a majority of the residents within the affected territory are opposed to annexation.
- (b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.
- (c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated successor city or district.
- (d) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56742, located in the same county as that in which the city is located, and that is owned by a city and used for municipal purposes and to authorize the annexation of the territory without notice and hearing.
- (e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and prezoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the prezoning designations for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding

7 SB 1498

at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the prezoning in the application to the commission.

- (f) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district or, for a landowner-voter special district, the number of owners of land and the assessed value of their land within the territory proposed to be included in the new special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county elections official to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation. The assessed value of the land within the territory proposed to be included in a new landowner-voter special district shall be calculated as shown on the last equalized assessment roll.
- (g) To adopt written procedures for the evaluation of proposals, including written definitions consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.
- (h) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).
- (i) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.
- (j) To incur usual and necessary expenses for the accomplishment of its functions.
- (k) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.
- (*l*) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.
- (m) To waive the restrictions of Section 56744 if it finds that the application of the restrictions would be detrimental to the

SB 1498 —8—

orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

- (n) To waive the application of Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.
- (o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.
- (p) To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.
- (q) To enter into an agreement with the commission for an adjoining county for the purpose of determining procedures for the consideration of proposals that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county.
- (r) To approve with or without amendment, wholly, partially, or conditionally, or disapprove pursuant to this section the annexation of territory served by a mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code that operates a public water system to a city or special district. Any annexation approved in accordance with this subdivision shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.